



**DEFENSE CONTRACT AUDIT AGENCY**  
**DEPARTMENT OF DEFENSE**  
8725 JOHN J. KINGMAN ROAD, SUITE 2135  
FORT BELVOIR, VA 22060-6219

IN REPLY REFER TO

PPD 730.5.55.1

November 8, 2004  
04-PPD-061(R)

MEMORANDUM FOR REGIONAL DIRECTORS, DCAA  
DIRECTOR, FIELD DETACHMENT, DCAA

SUBJECT: Audit Guidance on Wide Area Workflow (WAWF) Implementation

**Background**

As discussed in MRD 03-OTS-023(R), Subject: Implementation of Electronic Invoicing Through the Wide Area Workflow (WAWF) System, dated May 19, 2003, effective March 1, 2003, DFARS 232.70 required contractors to submit payment requests electronically, and further required DoD officials to process those requests using electronic methods, unless either party is unable to process them electronically. DFARS 232.70 defined the allowable electronic methods as Wide Area Workflow (WAWF), Web Invoicing System (WInS), and other approved Electronic Data Interchange (EDI) methods. DoD has determined, however, that WAWF is being implemented as the primary system for e-invoicing, even though the DFARS allows for other electronic methods.

Throughout FY 2004, FAOs have received training and begun implementing WAWF. This memorandum addresses a number of audit guidance issues raised during the pilot testing and implementation of WAWF at FAOs.

**Guidance**

Interim Voucher Processing

The submission of interim vouchers (referred to as cost vouchers in WAWF) using WAWF does not change the contractor's responsibility to submit a properly supported request for payment (see FAR 52.216-7), or DCAA's authority to receive, review, and provisionally approve interim vouchers (see DFARS 242.803).

In WAWF, the proper form for requesting payment for Cost Reimbursement (no fee), Cost Sharing, Cost Plus Fixed Fee, Cost Plus Incentive Fee, Cost Plus Award Fee, Time and Material, or Labor Hour contracts is the cost voucher. For cost-type contracts, FAR 52.216-7(a)(1) provides that the contractor's request for payment must be supported by a statement of the claimed allowable cost for performing the contract, and that the request for payment be submitted in such form or reasonable detail that the contracting officer's representative (defined as the contract auditor in DFARS 242.803) may require. Therefore, contractors not approved for direct billing must attach a file containing supporting data equivalent to the SF 1035 submitted with a paper voucher when submitting a cost voucher through WAWF. The contractor's

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attachment may be accessed by the FAO-designated reviewer or supervisory auditor through the “Misc. Info” tab when reviewing the voucher in WAWF. Contractors approved for direct billing are not required to submit their supporting data with the voucher, but must make it available to the auditor upon request.

For contractors not approved for direct billing, FAOs should continue to apply the procedures contained in CAM 6-1008 relative to their review and approval of interim public vouchers. The primary purpose of the review and approval of interim public vouchers is to provide reasonable assurance that the amounts claimed are not in excess of that which is properly due the contractor in accordance with the terms of the contract. This applies whether a voucher is submitted in paper or electronic format. For vouchers submitted through WAWF, the same review procedures are merely performed electronically through WAWF. For example, in lieu of physically signing a paper voucher as described in CAM 6-1008c, the supervisory auditor electronically signs the voucher in WAWF. Instead of mailing a paper voucher to the disbursing office, as described in CAM 6-1008d, the voucher is automatically routed electronically to the disbursing office (or Local Processing Office (LPO) for certain Navy contracts) after being electronically signed by the DCAA approving official.

Vouchers containing errors should be returned to the contractor, as discussed in CAM 6-1008e. In WAWF, the voucher is returned to the contractor by (i) selecting “Reject to Initiator” in the approval section of the voucher and (ii) typing the reason for the rejection in the “Comment” field on the “Misc. Info” tab. Vouchers submitted in WAWF may need to be returned to the contractor for a variety of reasons, such as:

- Vouchers contain mathematical or other errors, including incorrect billing rates;
- Vouchers are sent to the incorrect FAO for provisional approval;
- Vouchers are received without supporting cost schedule (SF 1035 equivalent data);
- Payment requests for other than a cost voucher are incorrectly routed to the FAO (e.g., request for progress payment); and
- Payment requests are incorrectly submitted as a cost voucher (i.e., contract is not cost-type, T&M, or labor hour contract).

For certain contracts, a contractor is required to break out the billed cost by using an Accounting Classification Reference Number (ACRN) worksheet in WAWF. However, WAWF’s software programming allows the contractor to enter a total billed amount on the cost voucher that is different from the amount shown in the ACRN worksheet total. When this circumstance occurs, WAWF will display an error message that cites the existence of an “out-of-balance ACRN worksheet” when the DCAA approving official attempts to provisionally approve the voucher for payment. When this occurs, the voucher must be rejected to the contractor for correction since WAWF will not allow the voucher to be provisionally approved and move forward in the payment process.

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Administration of the Direct Billing Initiative

As discussed in MRD 04-OTS-019(R), Audit Management Guidance on DMIS Requirements Related to Wide Area Work Flow (WAWF), dated April 21, 2004, DCAA DMIS data is currently being used to update the direct bill table in WAWF. FAOs are responsible for the continued accuracy of the DMIS direct billing data.

For a given contractor, WAWF will not accept the routing of cost vouchers to DCAA for some contracts, while allowing other contracts' vouchers to be routed directly to DFAS for payment. WAWF does not recognize contract "exemptions" when a contractor is approved for direct billing. The direct billing authority is based on the contractor CAGE code(s) and related direct billing data obtained from DMIS. Therefore, if a contractor CAGE code is coded as eligible for direct billing in DMIS, any voucher the contractor submits under that CAGE code using WAWF will flow directly to DFAS for payment (or to the LPO for certain Navy contracts). FAOs need to monitor those situations where a contractor is approved for direct billing, but has one or more contracts which are exempted from that direct billing authority, and ensure the contractor continues to submit paper vouchers on those exempted contracts. If the FAO finds the contractor is submitting vouchers through WAWF on contracts with exemptions, the FAO should request the contractor to immediately correct the situation or consider rescinding the contractor's direct billing authority.

Form 1 Adjustments

WAWF does not currently allow DCAA to effect Form 1 reductions to interim vouchers. Until the Form 1 functionality is implemented in WAWF, we have coordinated with DFAS and developed an alternative process for effecting Form 1 reductions for invoices submitted through WAWF. In circumstances where an FAO issues a Form 1 and the contractor has not agreed to make the Form 1 adjustment on its vouchers, the FAO should use the following procedures to effect the Form 1 reductions on contracts, as appropriate:

- Rescind the contractor's authority to direct bill, if applicable (see CAM 6-1007.7)
- Print a copy of the voucher (all tabs) submitted in WAWF
- Annotate the printed copy of the voucher as follows (see example at Enclosure):
  - Hand write the adjustment amounts and net approved amount on the printout of the "Header" tab of the voucher
  - Check the "Approved for Provisional Payment" box, hand write the net approved amount, and sign the printout of the "Header" tab of the voucher
  - Write "Form 1(s) Attached" in the comments field on the printout of the "Misc. Info" tab of the voucher
- Attach a copy of the Form 1(s) to the annotated printout of the voucher
- Scan the annotated printout of the voucher and the Form 1(s)
- Mail the annotated printout and Form 1(s) to DFAS at the address located under the heading "Payment Official" on the printout of the "Addresses" tab of the voucher
- Attach the scanned documents to the electronic voucher in WAWF

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- Reject the electronic voucher to the contractor with a comment that the voucher has been processed manually to effect the Form 1 reduction, has been mailed to DFAS, and a copy of the manually processed voucher is attached.

Final Voucher Receipt and Review

DFARS 242.803 designates the contract auditor as the authorized representative for reviewing completion/final vouchers and sending them to the contracting officer. Under WAWF, when a contractor submits a final voucher, the voucher is routed directly to the ACO for action and a copy is placed in the DCAA "History" folder within WAWF. There is no capability within WAWF for automatic electronic notification to the DCAA office when a final voucher is placed in the FAO "History" folder. For contractors where we are not utilizing a cumulative allowable cost worksheet and the contractor is submitting final vouchers through WAWF for a subsequent DCAA final audit, the FAO should work with the contractor to establish a process for DCAA notification when the contractor submits a final voucher. One suggested process is for the contractor to add DCAA to the e-mail distribution listing in WAWF when they prepare and submit the final voucher in WAWF. However, the FAO may work with the contractor to develop any mutually acceptable alternative notification process. Regardless of the notification process established, FAOs may access the contractor's final vouchers through the WAWF "History" folder, as necessary, to prepare contract audit closing statements or to use for any other audit purpose.

Wide Area Work Flow Limitations

There are certain types of vouchers which cannot be submitted through WAWF, including credit vouchers (net credit) and vouchers (other than those with Navy LPO) that require an additional Government certifier either before or after DCAA signature. WAWF does not support any workflows other than Vendor→DCAA→DFAS or Vendor→DCAA→LPO→DFAS. FAOs should refer contractors to their local Administrative Contracting Officer (ACO) for specific guidance on submitting vouchers in other circumstances. In the case of credit vouchers, FAOs should also remind the contractor of the expectation that an adequate billing system (a requirement for participation in the direct billing program) should have procedures in place to (1) ensure timely identification of overpayments; (2) provide for timely notification of overpayments to the contracting officer and paying office; and (3) process refunds due the Government in a timely manner (see CAM 5-1107). Since credit vouchers cannot be submitted electronically, FAOs should follow-up to ensure contractors are promptly submitting credit vouchers, as instructed by the ACO, and assess the continuing adequacy of the contractor's billing system and eligibility to participate in the direct billing program.

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### **Closing Remarks**

Field audit office personnel should refer questions regarding this memorandum to their regional offices. Regions unable to answer, or with questions of their own, should contact Ms. Victoria Post, Program Manager, Policy Programs Division, at (703) 767-2270 or e-mail at [DCAA-PPD@dcaa.mil](mailto:DCAA-PPD@dcaa.mil).

/Signed/

Robert DiMucci  
Assistant Director  
Policy and Plans

Enclosure:

Example of Voucher Processing with DCAA Form 1

DISTRIBUTION: C

Header	Line Item	Addresses	Misc. Info
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## COST VOUCHER (INTERIM)

\* = Required Fields

<b>Contract Number</b>	<b>Delivery Order</b>	<b>Issue Date</b>	
DAAB0797DB608	0014	1998/12/22	
<b>Voucher Number</b>	<b>Voucher Date</b>	<b>Final Voucher</b>	<b>Invoice Received Date</b>
BVN0199	2004/08/10	N	2004/08/10
<b>Vendor Invoice Number</b>	<b>Service Start Date</b>	<b>Service End Date</b>	
	2004/08/10	2004/08/10	
<b>B/L Number</b>	<b>Task Order</b>		

## Summary of Detail Level Information

## Total

1	CLIN/SLIN(s)	\$1,234,567.00
0	Miscellaneous Amount(s)	\$0.00
		\$1,234,567.00

DCAA Form 1 Costs Disputed 134,567.00  
 DCAA Form 1 Costs Disapproved 100,000.00  
 Net Amount Approved \$4,000,000.00

## Routing Information:

<b>Prime Contractor</b>	<b>Administered By</b>
<b>Cage Code:</b> 05FU9 <b>Extension:</b>	<b>DoDAAC:</b> S0512A
<b>Name:</b> Test Form 1 Contractor	<b>Name:</b> DCMA VAN NUYS
<b>DCAA Auditor</b>	<b>Service Approver</b>
<b>DoDAAC:</b> HAA721 <b>Extension:</b>	<b>Code:</b> FA3030 <b>Extension:</b>
<b>Name:</b> DCAA RESTONBRANCH OFFICE	<b>Name:</b> FA3030 17 CONS CC
<b>Payment Official</b>	<b>Issue By</b>
<b>DoDAAC:</b> HQ0338	<b>DoDAAC:</b> W15P7T
<b>Name:</b> DFAS - COLUMBUS CENTER	<b>Name:</b> XR W4GV USA HQ COMM ELECT CMD

ACTION BY: HAA721 \*

COST VOUCHER (INTERIM)

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☒ Approved for  
Provisional Payment *\$1,000,000*  
☐ Reject to Initiator

2004/08/10  
YYYY/MM/DD

Date

*Mrs DCAA Supervisor*

Signature

Signature Of Authorized Government  
Representative

[Submit](#) [Return](#) [Page Help](#)

Header	Line Item	Addresses	Misc. Info
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**COST VOUCHER (INTERIM)**

- CONTINUATION SHEET

\* = Required Fields

<b>Contract Number</b>	<b>Delivery Order</b>	<b>Voucher Number</b>
DAAB0797DB608	0014	BVN0199

					Amount
<b>Item No</b>	<b>Stock #</b>	<b>Unit Price</b>	<b>Unit of Issue</b>	<b>Qty. Invoiced</b>	\$1,234,567.00
0011	98989	\$1,234,567	LO	1	
	<b>Stock Type</b>	<b>ACRN</b>			
	CL	<input type="checkbox"/>			
	<b>SDN</b>				
	<input type="text"/>				
<b>Description</b>					
Test voucher for Temp Form 1 workaround					
<b>TOTAL:</b>					\$1,234,567.00

UPON COMPLETION OF WORK IN THIS AREA, CLICK ON ANOTHER TAB FOR FURTHER ACTION OR ON THE HEADER TAB TO SUBMIT.

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Header	Line Item	Addresses	Misc. Info
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**COST VOUCHER (INTERIM)**

- CONTINUATION SHEET

<b>Contract Number</b> DAAB0797DB608	<b>Delivery Order</b> 0014	<b>Voucher Number</b> BVN0199
<b>Prime Contractor</b>  <b>Cage Code:</b> 05FU9 <b>Extension:</b>	<b>Administered By</b>  <b>DoDAAC:</b> S0512A	
Test Form 1 Contractor 4501 DALY DR. CHANTILLY VA 20151 USA	DCMA VAN NUYS 6230 VAN NUYS BLVD RM 4925 VAN NUYS CA 91401-2713	
<b>DCAA Auditor</b>  <b>DoDAAC:</b> HAA721 <b>Extension:</b>	<b>Service Approver</b>  <b>Code:</b> FA3030 <b>Extension:</b>	
DCAA RESTONBRANCH OFFICE BUILDING 2 3RD FLOOR 171 ELDONSTREET SUITE 300 HERNDON VA 22070-4810	FA3030 17 CONS CC ADMINISTRATIVE ONLY NO REQUISITIONS 210 SCHERZ BLVD GOODFELLOW AFB TX 76908-4705	
<b>Payment Official</b>  <b>DoDAAC:</b> HQ0338	<b>Issue By</b>  <b>DoDAAC:</b> W15P7T	
DFAS - COLUMBUS CENTER SOUTH ENTITLEMENT OPERATIONS P O BOX 182264 COLUMBUS OH 43218-2264	XR W4GV USA HQ COMM ELECT CMD COMMANDER US ARMY CECOM BLDG 1208 FORT MONMOUTH NJ 07703-5000	

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Header	Line Item	Addresses	Misc. Info
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**COST VOUCHER (INTERIM)****-CONTINUATION SHEET**

**Contract Number**  
DAAB0797DB608

**Delivery Order**  
0014

**Voucher Number**  
BVN0199

**Initiator Information**

**Name:** Der Vender  
**Title:** vendor  
**Phone #:** 222222222  
**DSN:**

**Date of Action:** 2004/08/10 1254 EDT  
**Action(s):** Submitted  
Web, Stand Alone

**Email:** wawf\_undel@ecedi.nit.disa.mil  
**Org Email:** wawf\_undel@ecedi.nit.disa.mil

**Attachments:** 

**Comments:**

Test voucher for temporary Form 1 workaround

**Inspector Information**

**Name:** Stanley Arnold  
**Title:** inspector  
**Phone #:** 123-123-1233  
**DSN:**

**Date of Action:** 2004/08/10  
**Action(s):**

**Email:** wawf\_undel@ecedi.nit.disa.mil  
**Org Email:** wawf\_undel@ecedi.nit.disa.mil

**Attachments:**  

**Comments:**

Form 1s Attached.

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<https://wawftraining.eb.mil/servlet/GovernmentRoleInspect>

8/10/2004